(c) No, Sir. Some bidders have withdrawn for their own internal reasons.

(d) Question does not arise, as there has been no deferment or delay on the part of the Government.

Re-bidding for the disinvestment of Air India

781. SHRI PREM CHAND GUPTA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government are contemplating going in for a re-bid for the disinvestment process of Air India; and

(b) if so, the reasons for this considering that there were over five bidders in the initial phase of the disinvestment process?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) Does not arise in view of answer at (a) above.

Unfair practices by Sterlite Industry in the capital market

782. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are aware that SEBI has charged Sterlite Industry of insider trading in the Capital Market; and

(b) if so, whether Government propose to revise their opinion formed on the basis of certificate they had issued to the promoters in course of the BALCO privatisation and reverse the take over of BALCO by Sterlite Industry?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) In its order dated 19.4.2001 under Section 11 and 11B of the SEBI Act, 1992, SEBI has indicted Sterlite Industry Ltd. on charges of indulging in price and market manipulation in the scrip of Sterlite.

(b) Government has not issued any certificate to the Sterlite

Industries (India) Ltd. The sale of 51% equity capital in BALCO to Sterlite Industries (India) Ltd. on 2-3-2001 is governed by the terms and conditions of Shareholders Agreement and Share Purchase Agreement, which are legally enforceable documents. The question of reversing the above transaction, therefore, does not arise. The entire transaction is at present *subjudice*, being the subject of proceedings in the Supreme Court of India.

CAG report on MFIL sale

783. SHRI N.K. PREMACHANDRAN: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Comptroller and Auditor General's Office (CAG) has found several discrepancies in the sale of the Modern Food Industries Limited to Hindustan Lever Ltd.;

(b) if so, the details of the report and the audit objections made by the CAG in the said sale;

(c) whether it is a fact that the MFIL's plant and machinery was not valued at all;

(d) whether Government have a plan to review the procedure now followed in PSU disinvestment; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) CAG in its Inspection Report has made certain observations regarding appointment of Global Advisors and their scope of work, valuation of plant and machinery, valuation of land and buildings, capital gains tax and cost of VRS, non-valuation of intagible assets and selection of strategic parnter.

(c) The plant and machinery being used by Modern Food Industries (India) Ltd. (MFIL) was mostly of 60's and 70' vintage and is obsolete and therefore, assignment of any replacement value to such plant and machinery would be imaginary rather than real. Therefore, the only option was to consider their book value of